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fall solely upon great corporations, as intended, but upon thousands of small shareholders in the Bank of France, the Crédit Foncier, and others; while individual capitalists with a like income will escape with a tax of  $3\frac{1}{2}$  per cent. The special tax (Art. 89) is also objected to, because it is a progressive tax on the amount of business done and not upon profits realized, the true indication of ability to pay. Moreover it is urged that too great inquisitorial powers are given to public officers, which may be not only offensive but hurtful to private business interests.

Dr. Gebhardt presents, in three parallel columns, a very interesting account of the evolution of the new measure. A good bibliography is given of works, in French and German, dealing with the subject under discussion. An index would be no doubt appreciated by all who may use the work.

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*The Most-Favored-Nation Clause in Commercial Treaties. Its Function in Theory and in Practice and its Relation to Tariff Policies.* By STANLEY KUHLMORN. Bulletin of the University of Wisconsin; Economics and Political Science Series, Volume VI, No. 2. (Madison, Wis. 1910. Pp. 121.)

With the great expansion of international trade during and after the seventeenth century the employment of the "most-favored-nation" principle increased until it came to be regarded as the "corner-stone" of all modern commercial treaties. The fortunes of this proviso are described in this timely monograph. This includes an account of its origin and general acceptance; the scope of its operation and the various forms in which it appears; the practices of various nations, especially of the United States and England; the principal differences in interpretation; and the advantages and disadvantages claimed for the policy. A special chapter is devoted to the German American most-favored-nation relations, and the study closes with a bibliography.

There was an early realization of the need of some means whereby nations sustaining commercial relations with each other could protect themselves from "present or future disadvantages and discriminations"; and this led to the adoption of the most-favored-nation clause, which aims to insure to the parties to a treaty that any concession "which either grants to a third shall be granted to the other."

The principal interest centers about the account of the two views as to the proper form and interpretation of the clause, designated respectively as the unconditional and the conditional. The former, of which England is the leading champion, stands for the simplest form and its literal interpretation. According to this, each of two parties to a treaty containing the clause should receive at once and without further ado any favor extended by either to a third party.

The conditional form, on the other hand, qualifies the simple statement by adding the provision that advantages which one party to a treaty gives to a third party shall be enjoyed by the other party to the treaty "*freely if the concession is freely made, or upon allowing the same compensation if the concession was conditional.*" This form originated with the United States at the very beginning of its foreign policy, and this nation has been its chief advocate. Indeed, the United States has insisted that the conditional policy is to be implied even when its treaties do not expressly so state, unless an unconditional grant is specifically made. European practice "followed first the unconditional, then the conditional, and then again the unconditional." Though on technical grounds there is much to be said in favor of the conditional form, the unconditional seems to represent the larger, broader statesmanship. The conditional form points towards the old policy of special restrictions, the general adoption of which would constitute a step backward in the development of commercial freedom.

The monograph shows extended investigation. There are, however, some evidences of lack of care in putting the results into final form. There are occasional abrupt transitions and some statements which are either ambiguous or assume a knowledge on the part of the reader which only the technically informed can be expected to possess. Exception may be taken to the statement (p. 88) that "Prussia was *in no sense* 'absorbed' in the forming of the German Empire." Nor will all agree that (p. 102) "Logically, the universal acceptance of that form and interpretation of the clause which would satisfy the 'unconditional' school would eventually lead, whether that be its object or not, to absolute free trade." These are, however, minor defects. The author has made an interesting and useful contribution.

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